Docket Nos. PG-040566 Pullman/Clarkston PG-040567 Colville

October 26, 2004

Michael Faulkenberry, P.E. Chief Gas Engineer Avista Utilities Corporation East 1411 Mission Spokane, Washington 99220

Dear Mr. Faulkenberry:

Subject: 2004 Standard Natural Gas Inspections for Pullman/Clarkston and Colville Districts

The Washington Utilities and Transportation Commission (Commission) Pipeline Safety staff (Staff) conducted an inspection of various facilities and operations of Avista Utilities Corporation (Avista) from September 7-10, 2004, in Stevens County (Colville). The Whitman County (Pullman) and Asotin County (Clarkston) were inspected from September 27-30, 2004.

Staff found no violations of state or federal pipeline safety regulations during these inspections, but did identify one area of concern related to protection of pressure regulators from certain conditions which may affect their operation.

It is not to be assumed that this inspection detected all apparent code violations at this time. It is incumbent upon Avista to review all of its facilities and operations to determine compliance with Commission laws and rules.

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Please respond to this letter by November 29, 2004, indicating how this item of concern will be addressed to meet the requirements of Code of Federal Regulations Title 49, Part 192.

Staff would also like to thank Avista's personnel for their professionalism in working with Commission Staff during the inspection process.

If you have any questions or if Staff may be of any assistance, please contact David Lykken at (360) 664-1219. Please refer to docket numbers Dockets PG-040566 for Pullman/Clarkston Districts, and PG-040567 for Colville District in any future correspondence regarding this report.

Thank you for your cooperation and interest in pipeline safety.

Sincerely,

Alan E. Rathbun Pipeline Safety Director

Enclosure (1)

The Washington Utilities and Transportation Commission (Commission) has the authority to enforce minimum safety regulations per Chapter 480-93 of the Washington Administrative Code (WAC) pertaining to the construction, maintenance and operation of pipelines transporting natural gas in the state of Washington. In addition, the Commission adopts the Code of Federal Regulations (CFR) Title 49, Part 191 and 192.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

2004 Natural Gas Standard Inspection Report Avista Utilities Corporation Dockets PG-040566 Pullman/Clarkston Districts PG-040567 Colville District

AREA OF CONCERN

1. Title 49 CFR 192.739(d) states in part that each pressure regulating station and it's equipment must be subjected to inspections and tests to determine that it is "Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operations."

Finding: Equimeter style 046 field regulators utilized at Regulator Stations #511 (Addy-Gifford & Zimmer Rd), Station #566 (833 Skidmore Rd), and Station #565 (1533 Junniper Rd) installed in the vertical position. In all cases, the relief vents were not properly protected from possible water or ice accumulations per the CFR and manufactures installation and maintenance instructions (Equimeter instruction sheet RM1312 Rev 1).